



April 4, 1997

Division of Water Rights
1636 W North Temple, Suite 220
Salt Lake City, Utah 84116-2999

Re: Stream Channel Alteration Permit Request

We are submitting an amended Notice of Operation to the BLM and a Joint Permit Application Form to the Army Corps of Engineers for a currently approved dry wash operation in the SE/4 of the NE/4 of Section 11, T19S, R14W, SLBM. Due to the excessive moistness of the soil, we have been compelled to reconfigure our operation. Any dampness in the processed material negates the principle of a dry wash system. Therefore, we are obtaining equipment to operate a small trommel, sluice/jig mineral recovery system.

In order to provide the required water for the operation, we have leased the water rights in the area from the New Klondike Mining Company. We intend to flume at each of four springs and use plastic hose to convey water to a small process pond and use a recirculation system to reuse the water. The spring water is in the gravel layer that has come to the surface forming small marshy areas, then resubmerging to follow the bedrock rather than pursuing a surface water course. To construct the essential process pond, we propose to excavate a small area keeping the wing wall no higher than three feet above the natural ground surface.

In regard to environmental and water quality, there will be no process/mill facility, chemicals or toxic materials. There is no sulfide bearing ore in the project area. We intend lining the retaining and tailing ponds with approved plastic. The untreated discharged water will follow the spring run-off course, of which drops through the granite gravel to the natural bedrock flow route. All petroleum products will be adequately stored and all refuse and waste material will be removed from the area. Even though there is no flowing waters, all excavated material and any other debris will not be wasted in potential water courses. Our intent is not to impair but hopefully enhance the riparian habitat.

It is hoped that enough has been provided that we may receive the authority to proceed with the described undertaking by May 15, 1997. For your convenience, you may desire to convey certain correspondence by Fax. My number is (801)963-0607. Any assistance in the matter is highly appreciated.

Sincerely,

Marion K. Nielson

Marion K. Nielson
Nielson Mining

enclosures:

Amended Notice of Operation
Joint Permit Application Form and Attachments

cc:

Fred Linbeck, President New Klondike
Division of Water Quality
Division of Oil, Gas and Mining